



**OFFICE OF JUDICIAL SUPPORT AND OFFICE
OF COURT FINANCIAL SERVICES**

DELAWARE COUNTY

EXAMINATION REPORT

FOR THE PERIOD

JANUARY 1, 2008 TO DECEMBER 31, 2012

COMMONWEALTH OF PENNSYLVANIA

EUGENE A. DEPASQUALE - AUDITOR GENERAL

DEPARTMENT OF THE AUDITOR GENERAL



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EUGENE A. DePASQUALE
AUDITOR GENERAL

Independent Auditor's Report

The Honorable Daniel P. Meuser
Secretary
Pennsylvania Department of Revenue
Harrisburg, PA 17128

We have examined the accompanying statement of receipts and disbursements (Statement) of the Office of Judicial Support and Office of Court Financial Services, Delaware County, Pennsylvania (County Officers), for the period January 1, 2008 to December 31, 2012, pursuant to the requirements of Section 401(b) of *The Fiscal Code*, 72 P.S. § 401(b). This Statement is the responsibility of the county office's management. Our responsibility is to express an opinion on this Statement based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. An examination includes examining, on a test basis, evidence supporting the Statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

We are mandated by Section 401(b) of *The Fiscal Code* to audit the accounts of each county officer to determine whether all moneys collected on behalf of the Commonwealth have been correctly assessed, reported and promptly remitted. *Government Auditing Standards* issued by the Comptroller General of the United States include attestation engagements as a separate type of audit. An attestation engagement performed pursuant to *Government Auditing Standards* involves additional standards that exceed the standards provided by the American Institute of Certified Public Accountants. Accordingly, this attestation engagement complies with both *Government Auditing Standards* and Section 401(b) of *The Fiscal Code*.

Independent Auditor's Report (Continued)

In our opinion, the Statement referred to above presents, in all material respects, the operations of the County Officers as it pertains to receipts made on behalf of the Commonwealth for the period January 1, 2008 to December 31, 2012, in conformity with the criteria set forth in Note 1.

In accordance with *Government Auditing Standards*, we are required to report findings of significant deficiencies in internal control, violations of provisions of contracts or grant agreements, and abuse that are material to the Statement and any fraud and illegal acts that are more than inconsequential that come to our attention during our examination. We are also required to obtain the views of management on those matters. We performed our examination to express an opinion on whether the Statement is presented in accordance with the criteria described above and not for the purpose of expressing an opinion on the internal control over reporting on the Statement or on compliance and other matters; accordingly, we express no such opinions.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County Officer's ability to initiate, authorize, record, process, or report data reliably in accordance with the applicable criteria such that there is more than a remote likelihood that a misstatement of the County Officer's Statement that is more than inconsequential will not be prevented or detected by the County Officer's internal control. We consider the deficiency described in the finding below to be significant deficiencies in internal control over the reporting on the Statement:

- Inadequate Internal Controls Over Manual Receipts - Office Of Court Financial Services.

A material weakness is a significant deficiency or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the Statement will not be prevented or detected by the County Officer's internal control. Our consideration of the internal control over reporting on the Statement would not necessarily disclose all matters in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We consider the significant deficiency described above to be a material weakness.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we did note other matters that, while not required to be included in this report by *Government Auditing Standards*, have been included in the findings below:

- Improper Bail Forfeiture Procedures - Office Of Judicial Support.

Independent Auditor's Report (Continued)

- Inadequate Assessment of Fines, Costs, Fees, And Surcharges - Office Of Judicial Support.

This report is intended solely for the information and use of the Pennsylvania Department of Revenue, the Administrative Office of Pennsylvania Courts, and the County Officer and is not intended to be and should not be used by anyone other than these specified parties.



May 15, 2014

EUGENE A. DEPASQUALE
Auditor General

CONTENTS

	<u>Page</u>
Financial Section:	
Statement Of Receipts And Disbursements	1
Notes To The Statement Of Receipts And Disbursements	2
Exhibit 1 - Schedule Of Reporting Errors And Examination Adjustments	4
Findings And Recommendations:	
Finding No. 1 - Inadequate Internal Controls Over Manual Receipts - Office Of Court Financial Services	5
Finding No. 2 - Improper Bail Forfeiture Procedures - Office Of Judicial Support	8
Finding No. 3 - Inadequate Assessment Of Fines, Costs, Fees, And Surcharges - Office Of Judicial Support.....	9
Report Distribution	12

OFFICE OF JUDICIAL SUPPORT AND OFFICE OF COURT FINANCIAL SERVICES
 DELAWARE COUNTY
 STATEMENT OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 1, 2008 TO DECEMBER 31, 2012

Receipts:

Department of Transportation		
Title 75 Fines	\$	398,523
Overweight Fines		972
Department of Revenue Court Costs		286,899
Crime Victims' Compensation Costs		1,095,195
Crime Commission Costs/Victim Witness Services Costs		641,274
Domestic Violence Costs		35,777
Emergency Medical Services Fines		54,659
DUI - ARD/EMS Fees		109,142
CAT/MCARE Fund Surcharges		471,378
Judicial Computer System/Access to Justice Fees		487,653
Offender Supervision Fees		4,327,379
Constable Service Surcharges		1,211
Criminal Laboratory Users' Fees		60,553
Probation and Parole Officers' Firearm Education Costs		56,183
Substance Abuse Education Costs		504,931
Office of Victims' Services Costs		53,705
Miscellaneous State Fines and Costs		<u>1,193,382</u>
 Total receipts (Note 2)		 9,778,816
 Disbursements to Commonwealth (Note 3)		 <u>(9,773,603)</u>
 Balance due Commonwealth (County) per settled reports (Note 4)		 5,213
 Examination adjustments (Exhibit 1)		 <u>4,125</u>
 Adjusted balance due Commonwealth (County) for the period January 1, 2008 to December 31, 2012	 \$	 <u><u>9,338</u></u>

Notes to the Statement of Receipts and Disbursements are an integral part of this report.

OFFICE OF JUDICIAL SUPPORT AND OFFICE OF COURT FINANCIAL SERVICES
 DELAWARE COUNTY
 NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 1, 2008 TO DECEMBER 31, 2012

1. Criteria

The Statement of Receipts and Disbursements provides a summary of receipts and disbursements by category. The categories and the amounts of fines, costs, fees, and surcharges assessed are based on Pennsylvania laws and regulations.

The Statement was prepared in accordance with reporting requirements prescribed by the Pennsylvania Department of Revenue. Under this method, only the Commonwealth portion of cash receipts and disbursements are presented, revenues are recognized when received, and expenditures are recognized when paid.

2. Receipts

Receipts are comprised of fines, costs, fees, and surcharges collected on behalf of the Commonwealth. These fines, costs, fees, and surcharges represent collections made on summary and criminal cases filed with the Office of Judicial Support and Office of Court Financial Services.

3. Disbursements

Total disbursements are comprised as follows:

Office of Judicial Support and Court Financial Services
 checks issued to:

Department of Revenue	\$ 9,564,145
State Police	20
Bureau of Crime Victims' Services	2,372
Department of Treasury	203,955
Department of Labor and Industry	3,111
	3,111
Total	\$ 9,773,603

OFFICE OF JUDICIAL SUPPORT AND OFFICE OF COURT FINANCIAL SERVICES
DELAWARE COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2008 TO DECEMBER 31, 2012

4. Balance Due Commonwealth (County) For The Period January 1, 2008 To December 31, 2012

This balance reflects a summary of monthly transmittal reports as settled by the Department of Revenue. The balance also reflects a summary of any receipts disbursed directly to other state agencies. It does not reflect credit for a payment of \$5,213 for October 2012, which was credited by the Department of Revenue in January 2014. Also it does not reflect adjustments disclosed by our examination. Refer to Exhibit 1.

5. County Officers Serving During Examination Period

Angela L. Martinez, Esquire, served as the Director of the Office of Judicial Support for the period January 1, 2008 to December 31, 2012.

Leslie Scott served as the Director of the Office of Court Financial Services for the period January 1, 2008 December 31, 2012.

OFFICE OF JUDICIAL SUPPORT
 DELAWARE COUNTY
 EXHIBIT 1
 FOR THE PERIOD
 JANUARY 1, 2008 TO DECEMBER 31, 2012

Exhibit 1 - Schedule Of Reporting Errors And Examination Adjustments

<u>Month</u>	<u>Year</u>	<u>Case Number</u>	<u>Examination Adjustments</u>	<u>Explanation</u>
June	2008	CP-23-CR-0008152-2007	\$ 250.00	1
June	2008	CP-23-CR-0001531-2008	250.00	1
September	2008	CP-23-CR-0002394-2006	250.00	1
October	2008	CP-23-CR-0006176-2006	250.00	1
October	2008	CP-23-CR-0005078-2007	250.00	1
November	2008	CP-23-CR-0005724-2008	250.00	1
January	2009	CP-23-CR-0006053-2008	1,000.00	1
April	2009	CP-23-CR-0000559-2009	500.00	1
December	2009	CP-23-CR-0003929-2009	500.00	1
March	2010	CP-23-CR-0002699-1999	125.00	1
April	2011	CP-23-CR-0007041-2010	500.00	1
			\$ 4,125.00	

OFFICE OF JUDICIAL SUPPORT
DELAWARE COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2008 TO DECEMBER 31, 2012

Finding No. 1 - Inadequate Internal Controls Over Manual Receipts - Office Of Court Financial Services

Manual receipts are available to be issued in the event of a temporary power loss to the office's computer system. When the computer system is operating again, the manual receipt is replaced by an official computer-generated receipt and included in the daily receipts.

Our examination disclosed the following deficiencies in the internal controls over manual receipts:

Of 19 receipts tested, we noted the following:

- The office used generic, pre-printed manual receipt books. The receipts books were not in numerical order. The manual receipts were issued in numerical sequence within each book but the books were not used in sequential order. There was no documentation, verification, or accountability as to the number of manual receipt books purchased. Therefore, we were unable to verify the number of pre-printed manual receipts books issued.
- There were five instances in which the computer receipt was not generated timely after the issuance of the corresponding manual receipt. The time lapse from the date of the manual receipt to the corresponding computer receipt ranged from two days to five days.
- There were 19 instances in which the manual receipt number was not entered into the computer system when the corresponding computer receipt was generated.

OFFICE OF JUDICIAL SUPPORT
DELAWARE COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2008 TO DECEMBER 31, 2012

Finding No. 1 - Inadequate Internal Controls Over Manual Receipts - Office Of Court Financial Services (Continued)

Good internal accounting controls ensure that:

- Manual receipts are accounted for and maintained.
- Manual receipt books are issued in sequential order.
- Only official Common Pleas Case Management System (CPCMS) manual receipts and log, that are available through the computer system, are used.
- Computer receipts are generated timely after the issuance of the corresponding manual receipts.
- Manual receipt numbers are entered in the manual receipt number field on the computer when the corresponding computer receipts are generated.

Without a good system of internal controls over funds received by the office, the possibility of funds being lost or misappropriated increases significantly.

Adherence to good internal accounting controls would have ensured adequate internal controls over receipts.

These conditions existed because the office failed to establish and implement an adequate system of internal controls over manual receipts.

Recommendation

We recommend that the office establish and implement an adequate system of internal controls over manual receipts as noted above.

OFFICE OF JUDICIAL SUPPORT
DELAWARE COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2008 TO DECEMBER 31, 2012

Finding No. 1 - Inadequate Internal Controls Over Manual Receipts - Office Of Court Financial Services (Continued)

Management's Response

The County Officer responded as follows:

Based on the Supreme Court of Pennsylvania Administrative Office of Pennsylvania Court's Record Retention and Disposition Schedule, the 2006 and 2007 receipts were timely sent to Delaware County's storage facility. Under the guidelines the retention period for financial receipts is three years, which was outside of this audit cycle. However, as a result of the Finding all future financial records will be stored without a destruction date pending the completion of the audit period.

The manual receipt procedures for Court Financial Services has been revised. To ensure that preprinted manual receipt books are accounted for, the books are now kept in a locked cabinet and a record of the numbered receipt books and user are now recorded. Also, when manual receipt books are ordered a copy of the purchase order will be kept on file in Court Financial Services.

Also, as of January 6, 2014, Court Financial Services began using the manual receipts and log generated from the Common Pleas Case Management System. Staff members have been trained on the proper procedure for using the manual receipts, which includes the timely entering of the manual receipt into the computer system. This also includes entering the manual receipt number in the manual receipt number field on the computer when the corresponding computer receipt is generated. Court Financial Services has made every effort to further ensure adequate internal controls over manual receipts.

Auditor's Conclusion

During our next examination we will determine if the office complied with our recommendation.

OFFICE OF JUDICIAL SUPPORT
DELAWARE COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2008 TO DECEMBER 31, 2012

Finding No. 2 - Improper Bail Forfeiture Procedures - Office Of Judicial Support

Our examination disclosed that of 30 cases tested, there were 11 cases in which bail forfeitures were erroneously remitted to the county, resulting in a balance due the Commonwealth of \$4,125.00 (See Exhibit 1).

When bail is posted and the defendant fails to appear for his/her hearing, bail is forfeited and according to 42 Pa.C.S. § 3571(b), should be disbursed in the same manner as fines.

The failure to properly remit bail forfeitures resulted in a loss of revenue to the Commonwealth.

This condition existed because the office failed to establish and implement an adequate system of internal controls over bail forfeitures procedures.

Recommendation

We recommend that the office ensure that all bail forfeitures due the Commonwealth are disbursed to the Commonwealth according to 42 Pa.C.S. § 3571(b).

Management's Response

The County Officer responded as follows:

Delaware County takes the position that there is a conflict between the cited statute (42 PA Cons. Stat. Section 3571 (b)) and Delaware County's established and published Rules regarding forfeiture, except as relates to snowmobiles (subsection 1), which are not addressed by our rules. Subsections 2 through 4 contain provisions incompatible with Delaware County Rules.

Auditor's Conclusion

Section 3502 (relating to Financial regulations) of Chapter 35 (Budget and Finance) of the Judicial Code (Code), 42 Pa.C.S. § 3502, provide the various counties with the authority to promulgate financial regulations pertaining to the forms and accounting methods to be utilized in connection with Chapter 35 of the Code but only to the extent they specify the time and manner of making remittances and disbursements of moneys. Therefore, the Delaware County Rules do not impact the Code's requirement in 42 Pa.C.S. § 3571(b) which mandates that Delaware County must remit bail forfeitures to the Commonwealth. Our finding stands as written.

OFFICE OF JUDICIAL SUPPORT
DELAWARE COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2008 TO DECEMBER 31, 2012

Finding No. 3 - Inadequate Assessment Of Fines, Costs, Fees, And Surcharges - Office Of
Judicial Support

Our examination disclosed that the office did not assess certain fines, costs, fees, and surcharges as mandated by law. Of 93 cases tested, we noted the following discrepancies:

- There was one case in which Crime Victims Compensation Costs, Domestic Violence Costs, and Victim Witness Services Costs were not assessed.
- There was one case in which the Catastrophic Fund Surcharge was assessed in error.
- There were two cases in which the DNA Cost was not assessed.
- There were five cases in which the Amber Alert System Cost was not assessed.
- There were 19 cases in which the Criminal Justice Enhancement Account Fee was assessed in error.
- There was one case in which the DUI-ARD-EMS fee was assessed in error.

The following state statutes address the assessment of fines, costs, fees, and surcharges that were not properly assessed:

- Title 18 P.S. § 11.1101 provides for the collection of the Crime Victims Compensation Costs and Victim Witness Services Costs.
- Title 71 P.S. § 611.13 (b) authorizes a \$10 Domestic Violence Cost to be assessed against any person who pleads guilty or nolo contendere or who is convicted of a crime as defined in 71 P.S. § 611.13 (e). It should be noted that these fees should not be assessed on Accelerated Rehabilitative Disposition (ARD) cases.
- Title 75 Pa. C.S.A. § 6506(a) provides for the collection of the Catastrophic Fund Surcharge.
- Effective January 31, 2005, Title 44 P.S. § 2322, specifies that all felonies, regardless of offense, and misdemeanors for § 2910 (relating to luring a child into a motor vehicle) and § 3126 (relating to indecent assault), authorizes the automatic assessment of a \$250 DNA cost when a DNA sample is taken.

OFFICE OF JUDICIAL SUPPORT
DELAWARE COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2008 TO DECEMBER 31, 2012

Finding No. 3 - Inadequate Assessment Of Fines, Costs, Fees, And Surcharges - Office Of
Judicial Support (Continued)

- Title 35 P.S. § 7025.4 provides for the collection of the Amber Alert System Cost. Unless the court finds that undue hardship would result, in addition to any other cost imposed by law, a cost of \$25 shall automatically be assessed on each person convicted, adjudicated delinquent or granted accelerated rehabilitative disposition (ARD) of the offenses in 18 Pa.C.S. § 2901 -2910.
- Effective November 10, 2007, Title 42 Pa.C.S. § 3575 (b) provides for the collection of a \$50 Criminal Justice Enhancement Account (CJEA) Fee if a defendant accepts Accelerated Rehabilitative Disposition, is convicted of or enters a plea of guilt or nolo contendere for a felony, misdemeanor of the first degree or misdemeanor of the second degree as set forth in Title 18 PA.C.S. (relating to crimes and offenses), or is convicted of or enters a plea of guilt or nolo contendere for a violation of Title 35, Section 780-113(a)(16), known as The Controlled Substance, Drug, Device and Cosmetic Act.
- Title 35 P.S. § 6934 (b) provides for the collection of a \$25 DUI-ARD EMS Fee on all driving under the influence (DUI) offenses where there is an Accelerated Rehabilitative Disposition (ARD).

The improper assessment of these costs and fees resulted in the defendant not being assessed the proper amount of costs and fees associated with the violation and/or a corresponding loss of revenue to the Commonwealth and County.

These incorrect assessments occurred because the office was not aware or current with laws and regulations that promulgate the current rates of Commonwealth fines, costs, fees, and surcharges.

Recommendation

We recommend that the office review the laws noted above to ensure that fines, costs, fees, and surcharges are assessed as mandated by law.

OFFICE OF JUDICIAL SUPPORT
DELAWARE COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2008 TO DECEMBER 31, 2012

Finding No. 3 - Inadequate Assessment Of Fines, Costs, Fees, And Surcharges - Office Of
Judicial Support (Continued)

Management's Response

The County Officer responded as follows:

Although the Office of Judicial Support was assessing, as mandated by law, costs, fines, fees and surcharges, the audit did correctly reveal areas where greater consistency could be applied, and those recommendations were immediately implemented. We believe that OJS is now completely complying with all mandates.

Auditor's Conclusion

During our next examination we will determine if the office complied with our recommendation.

OFFICE OF JUDICIAL SUPPORT AND OFFICE OF COURT FINANCIAL SERVICES
DELAWARE COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2008 TO DECEMBER 31, 2012

This report was initially distributed to:

The Honorable Daniel P. Meuser
Secretary
Pennsylvania Department of Revenue

The Honorable Zygmunt Pines
Court Administrator of Pennsylvania
Supreme Court of Pennsylvania
Administrative Office of Pennsylvania Courts

Mr. Thomas J. Dougherty
Director
Division of Grants and Standards
Pennsylvania Board of Probation and Parole

Angela L. Martinez, Esquire	Director of the Office of Judicial Support
Leslie Scott	Director of the Office of Court Financial Services
The Honorable Edward O'Lone	Controller
The Honorable Thomas J. McGarrigle	Chairman of the Board of Commissioners

This report is a matter of public record and is available online at <http://www.auditorgen.state.pa.us>. Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 231 Finance Building, Harrisburg, PA 17120; via email to: news@auditorgen.state.pa.us.